GLOBALIZATION

- Globalization links distant places, making local events influenced by faraway happenings.
- It means faster, wider global connections.
- It describes the world feeling smaller and more connected.
- Trade and technology have made the world more interdependent.
- The term emerged in the 20th century, first used in the 1930s and popularized in the 1960s and 1990s.

TWIN PROCESSES OF GLOBALIZATION

- Physical interconnectedness, making the world seem smaller.
- Awareness of our global connection.
- It's a long-term evolving process, not a fixed state.

WAVES OF GLOBALIZATION

1. First wave: since early civilization.
2. Second wave: European conquest spreading capitalism.
3. Third wave: tech breakthroughs.
4. Fourth wave: creation of institutions like World Bank, GATT, IMF.
5. Fifth wave: today's deep global interdependence.

PERSPECTIVES ON GLOBALIZATION

- Hyperglobalists: see globalization as positive, erasing local cultures, weakening governments, and creating a global economy.
- Sceptics: view it as regionalization, not true globalization; strong nations still control trade.
- Transformationalists: see globalization as a two-way cultural exchange without a single cause, uncertain about its future.

FORMS OF GLOBALIZATION

- Economic globalization: growing global economic integration via trade, capital, labor, and technology, driven by innovation and progress.

Globalization has several linked aspects:

- Trade of goods and services
- Financial and capital markets
- Technology and communication
- Production processes

Difference from internalization:

- Internalization extends national economic activities abroad.
- Globalization integrates activities across countries.
- It's a complex, uneven process, more qualitative than just growth.

Economic Globalization Impacts: Positive:

- Lowers manufacturing costs
- Boosts production to meet global demand Negative:
- Increases income inequality

Key Actors:

- International organizations (IMF, World Bank, OECD) promote neoliberal policies and trade talks.
- Multinational companies drive globalization.
- Central banks influence global economic development.
- Global civil society protests globalization's harms.

International Monetary System (IMS):

- Sets rules and tools for international payments.
- Supports cross-border trade and investment.

Historical Systems:

- Gold Standard fixed exchange rates using gold reserves.
- Countries set currency gold content, stabilizing economies and trade.
- Originated in 19th century UK; spread to major nations by late 1800s.

Strengths:

- Balanced trade and financial stability.
- Helped countries fix current account imbalances.

Weaknesses:

- Deficit countries lost monetary control and faced deflation.
- Had to adopt harsh economic policies to restore competitiveness.

BRETTON WOODS SYSTEM - After harmful inter-war policies, 44 allied nations met in 1944 at Bretton Woods, US, to create a new monetary system. They agreed on an adjustable peg system tied to gold.

DISSOLUTION - The system ended when the US stopped linking the dollar to gold, causing stock crashes in 1973-74.

STAGFLATION - Economic stagnation with rising prices.

NEOLIBERALISM - From the 1980s, US Treasury, World Bank, IMF, and WTO promoted free-market trade under this updated liberalism.

JOHN MAYNARD KEYNES - Proposed a global clearing union and a new currency called 'bancor.'

IBRD - Funded postwar reconstruction.

IMF - Lender of last resort to prevent credit crises and support economic growth.

GATT - Trade agreements from 1947 aiming to reduce tariffs and quotas, promoting non-discriminatory trade. It expanded over time and boosted global trade.

ROME TREATY (1957) - Created the European Economic Community (EEC) with 6 countries, enabling free movement of goods, people, services, and capital. Also established Euratom. Now called the Treaty on the Functioning of the EU.

UNCTAD (1964) - UN body supporting developing countries in trade, investment, and fair integration into the global economy.

JAMAICA ACCORD (1976)

- Ended Bretton Woods by allowing gold prices to float against the U.S. dollar.
- Agreement made in 1976.
- 1978 amendment created Special Drawing Rights.

PLAZA AGREEMENT (1985)

- G-5 nations (France, Germany, U.S., UK, Japan) agreed to lower the U.S. dollar against yen and Deutsche mark.
- Aimed to fix U.S. trade imbalances with Germany and Japan; only succeeded with Germany.

URUGUAY ROUNDS (1986-1994)

- 8th GATT trade negotiation round with 123 countries.
- Led to the World Trade Organization (WTO).
- Expanded trade rules to agriculture, textiles, services, intellectual property, and investment.
- Started in 1995, deadlines by 2000 (2004 for developing countries).

WTO (1995)

- Global trade body with 164 members ensuring smooth trade.

- Evolved from GATT (1947).
- Resolves trade disputes.
- Uses rules from Uruguay Rounds.

CONCLUSION

- Economic integration is key to globalization but not the whole of it.

WHAT IS GLOBAL GOVERNANCE?

- Managing global issues without a world government.
- Involves states, regional, and international groups.
- Coordinates efforts to solve cross-border problems.

ESSENCE OF GLOBAL GOVERNANCE

- Cooperation among governments, organizations, and civil society to manage globalization's risks and benefits.

WHY GLOBAL GOVERNANCE?

- No single country can solve global issues like poverty, disease, climate change, or terrorism alone.
- Globalization links nations, so one country's policies affect others.

FORMS OF GLOBAL GOVERNANCE

- International agreements (e.g., GATT, GATS).
- Organizations like WTO, World Bank, IMF.

MEASUREMENT: Societies' connectedness is shown by cross-border transactions versus domestic ones. More foreign transactions mean higher interconnectedness.

PEACE AND COOPERATION: Achieved through trade, international organizations, and democracy.

TRANSNATIONAL GOVERNANCE: Non-state actors create political rules without state approval.

CONCLUSION: Societal denationalization in recent decades has increased international institutions, changing global politics.

POLITICAL GLOBALIZATION: Growth of international/regional state groups and non-state political actors.

MILITARY GLOBALIZATION: Global networks of military forces.

CULTURAL GLOBALIZATION: Spread of culture beyond borders.

DEFINITIONS:

- **Anthony Giddens**: Globalization links distant places, affecting local events.
- **Roland Robertson**: Globalization compresses the world and raises global awareness.
- **David Held**: Globalization reshapes social relations and power across regions.
- **Helen Fisher**: Globalization needs a broad, long-term view.
- **Kofi Annan (former UN Sexretary-General)**: Opposing globalization is like opposing gravity.
- **Anthropologist Appadurai's** "scapes":
  - **Ethnoscapes**: People moving across borders
  - **Technoscapes**: Tech-driven cultural exchange
  - **Ideoscapes**: Global flow of ideas
  - **Financescapes**: Capital moving across borders
  - **Mediascapes**: Media shaping global views

HISTORICAL CONTEXT: Regions once self-sufficient with limited trade now form a single global economy.

TYPES OF GLOBALIZATION:

- **ECONOMIC**: Countries trading widely with few barriers.
- **SOCIAL**: Ease of sharing info and ideas, including internet and social media.
- **POLITICAL**: Level of cooperation between countries.

CAUSES OF GLOBALIZATION

- Improved communication (internet, email, mobile phones) helps multinational companies (MNCs) operate worldwide.
- Satellite TV (Sky, CNN) offers global marketing.
- Better transport (refrigerated containers, bulk shipping, air travel) moves goods easily.
- Free trade agreements, supported by MNCs and organizations like WTO and IMF, boost wealth and influence.
- Global banking enables fast, large capital flows; $1.3 trillion trades daily in major stock markets.
- MNCs like Microsoft, McDonald's, and Nike grow rapidly, investing globally and selling widely.
- Food supply is year-round and global.
- Division of labor shifts production to cheaper countries.
- Jobs are less secure; workers hold 7-10 jobs in a lifetime.
- More trade means more pollution and climate risks.
- Cultural impact: global websites connect people but can erase local cultures and force local firms out.
- Anti-globalization protests rise as people challenge negative effects.

THEORIES OF GLOBALIZATION

- Globalization is complex, without a clear start or end.
- It includes economic integration, policy transfer, knowledge sharing, cultural stability, power relations.
- It is a global process, concept, revolution, and market free from sociopolitical control.

Globalization has many meanings: progress, cooperation, or regression and colonialism. People's views depend on their politics, location, culture, and religion. In 1995, Martin Khor called globalization colonization. Thomas Larsson (2001) described it as the world shrinking, making global interaction easier. Immanuel Wallerstein said globalization is capitalism's global economy.

World-System Theory, by sociologist Wallerstein, explains why some countries don't develop. It shows global trade is unequal: rich countries dominate poor ones, causing dependency. In 1976, Wallerstein published a key book on this.

The capitalist world divides into three parts:

- Core: rich, powerful countries (Western Europe, North America, Japan)
- Periphery: poorer regions controlled by the core (Latin America, Africa, Asia, Middle East, Eastern Europe)
- Semi-periphery: countries between core and periphery, acting as a buffer.

Core countries exploit peripheral ones, accumulating wealth globally and keeping poor countries dependent.

Globalization deepens inequality as the global economy favors core countries. International groups mostly reflect core nations' interests, so true fairness is unlikely. Hegemonic powers keep control and free trade benefits them, but their dominance is temporary due to class conflicts and tech shifts. A global class struggle exists, and Wallerstein predicts a future socialist world government to balance productivity and fairness. "Globalization" means states are no longer the main decision-makers; the world market now rules. Wallerstein doubts globalization is inevitable, seeing core states'

power as key to the system's stability. He traces the modern world system back to the 1500s, linking all countries through a global division of labor.

Leslie Sklair's theory rejects state-only or globalist views, focusing on transnational practices (TNP) that cross borders but aren't state-driven. TNPs act in economic (transnational capital), political (transnational capitalist class), and cultural (cultural elites) spheres, forming a global system. The transnational capitalist class includes corporate leaders, globalizing officials, and consumerist media elites.

William Robinson describes global capitalism with three parts: transnational production, capitalists, and state. The shift from a world economy to a global economy marks a major change.

WORLD ECONOMY: Countries developed national economies linked by trade and finance in an integrated market.

GLOBAL ECONOMY: Production is globalized, merging national circuits into global ones. A Transnational Capitalist Class (TCC) manages these global circuits.

EMERGENT TRANSNATIONAL STATE (TNS): Unlike Sklair, Robinson sees a loose network of supranational and national institutions transformed by transnational forces forming a Transnational State (TNS).

SUPRANATIONALISM: Power given to authorities above the state. Transnational state cadres support capitalist globalization.

NEGRI & HARDT - EMPIRE: Sovereignty shifts from nation-states to global level, not disappearing but rescaled. State institutions still exist.

CASTELLS - NETWORK SOCIETY: Society structured by networks powered by information and communication tech. Globalization driven by technology, not just capitalism.

New economy is informational, global, and networked.

INTERNET: Creates a global virtual environment.

Globalization is a network of production, culture, and power shaped by technology.

INFORMATION: Central to all human activity, integrated into culture and institutions.

INFORMATIONALISM: A tech-based paradigm replacing industrialism.

WORLD ECONOMY: Countries' economies linked by trade and finance.

GLOBAL ECONOMY: Production is global, managed by a Transnational Capitalist Class (TCC).

EMERGENT TRANSNATIONAL STATE (TNS): A loose network of supranational and national bodies shaped by transnational forces.

SUPRANATIONALISM: Power above states, supporting capitalist globalization.

NEGRI & HARDT - EMPIRE: Sovereignty shifts globally but states still exist.

CASTELLS - NETWORK SOCIETY: Society shaped by tech-driven networks; globalization is tech-based.

New economy is informational, global, and networked.

INTERNET: Creates a global virtual space.

Globalization is driven by tech, marking an 'age of information.'

INFORMATION: Central to culture and institutions.

INFORMATIONALISM: Tech replaces industrialism.

David Harvey: Time-Space Compression

- In "The Condition of Postmodernity" (1990), Harvey says globalization speeds up economic activity, shrinking space and time barriers.
- "Time-space compression" means faster movement of capital and goods, aided by tech, reducing distance limits.

Saskia Sassen: The Global City (1991)

- Builds on world city studies, seeing cities like New York, London, Tokyo as hubs of global finance and services.
- These cities act as command centers for a complex global economy.

Four Key Functions of Global Cities:

1. Central hubs for the world economy.
2. Centers for finance and specialized services (finance, insurance, real estate, etc.).
3. Sites for innovation and headquarters of service firms.
4. Markets for products and innovations.

- Sassen also argues global human rights law prioritizes people over citizenship.

Theories of Transnationality and Transnationalism

- Transnationality: New identities and communities beyond nation-states.
- Transnationalism: Social and political practices crossing borders.
- Migrants create social ties across countries (Basch et al., 1994).

Theories of Global Culture (Tomlinson 1999; Nederveen Pieterse 2004)

- Three effects of globalization on culture:

- Homogenization: One culture dominates others.
- Hybridization: Cultures mix.
- Heterogeneity/Polarization: Cultures remain distinct or clash.

HOMOGENIZATION THEORIES see global cultural blending, highlighting world music, cuisines, tourism, uniform consumption, and cosmopolitanism. "Americanization" describes how American culture spreads worldwide.

HYBRIDIZATION focuses on new, evolving cultures formed by mixing different traditions. Cultures often clash, creating hybrids.

POLARIZATION means globalization can strengthen local cultures.

HETEROGENEITY stresses ongoing cultural differences, local autonomy, resistance to blending, clashes, and varied globalization experiences.

MARSHALL MCLUHAN - THE GLOBAL VILLAGE McLuhan said electric media connect the world like a "global village," erasing space and time barriers. His 1964 book changed views on media and communication. He also said "the medium is the message," meaning how information is shared matters as much as the content.

ROLAND ROBERTSON HOMOGENIZATION PERSPECTIVE McDONALDIZATION means fast-food principles (efficiency, predictability, control) spread globally via corporations, making cultures more alike.

GLOCALIZATION means global ideas spread locally, blending global and local identities.

HOMOGENIZATION THEORY highlights global cultural convergence with world music, cuisines, tourism, uniform consumption, and cosmopolitanism (Appadurai). Appadurai sees the global cultural economy as complex and overlapping.